

**FIRE PROTECTION DISTRICT NO. 7 OF LIVINGSTON PARISH  
LIVINGSTON, LOUISIANA**

**REPORT ON COMPILATION OF  
GENERAL PURPOSE FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002**

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

As of and For the Year Ended December 31, 2002

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# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
HAMMOND, LA • AMITE, LA

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Member  
American Institute of CPA's  
Society of Louisiana CPA's

October 1, 2003

## Accountant's Report

Mr. Charles A. McCon, President, and  
Members of the Board of Commissioners  
Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

We have compiled the accompanying general purpose financial statements of the Fire Protection District No. 7 of Livingston Parish, Livingston Louisiana, a component unit of the Livingston Parish Council, as of December 31, 2002, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of the Fire Protection District No. 7 of Livingston Parish. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

We are not independent with respect to Fire Protection District No. 7 of Livingston Parish.

Respectfully submitted,

Durnin & James, CPAs  
(A Professional Corporation)

## **General Purpose Financial Statements**

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Balance Sheet – All Fund Types and Account Groups  
December 31, 2002

	Governmental Fund <u>General Fund</u>	General <u>Fixed Assets</u>	General <u>Long-Term Debt</u>	Total <u>(Memo Only)</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 8,580	\$ -	\$ -	\$ 8,580
Receivables:				
Ad Valorem Tax (Net of Allowances for Uncollectible)	25,958	-	-	25,958
State Revenue Sharing Receivable	1,398	-	-	1,398
User Fees Receivable	14,202	-	-	14,202
Land, Buildings, and Equipment	-	304,380	-	304,380
Amount to be Provided for Retirement of Long-Term Debt	<u>-</u>	<u>-</u>	<u>101,727</u>	<u>101,727</u>
 Total Assets	 <u>\$ 50,138</u>	 <u>\$ 304,380</u>	 <u>\$ 101,727</u>	 <u>\$ 456,245</u>
 <b>Liabilities and Fund Equity</b>				
Liabilities:				
Accounts Payable and Accrued Expenses	\$ 5,818	\$ -	\$ -	\$ 5,818
Deductions from Ad Valorem Taxes Payable	1,171	-	-	1,171
Capital Lease Obligation	<u>-</u>	<u>-</u>	<u>101,727</u>	<u>101,727</u>
Total Liabilities	\$ 6,989	\$ -	\$ 101,727	\$ 108,716
 Fund Equity:				
Investment in General Fixed Assets	\$ -	\$ 304,380	\$ -	\$ 304,380
Fund Balances:				
Unreserved - Undesignated	<u>43,149</u>	<u>-</u>	<u>-</u>	<u>43,149</u>
Total Fund Equity	<u>\$ 43,149</u>	<u>\$ 304,380</u>	<u>\$ -</u>	<u>\$ 347,529</u>
 Total Liabilities and Fund Equity	 <u>\$ 50,138</u>	 <u>\$ 304,380</u>	 <u>\$ 101,727</u>	 <u>\$ 456,245</u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2002  
(With Comparative Totals for December 31, 2001)

	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Revenues		
Ad Valorem Taxes	\$ 25,396	\$ 23,133
User Fee	20,933	\$ 18,029
Fire Insurance Premium Rebate	5,894	5,329
Interest Earnings	120	197
State Revenue Sharing	3,828	3,234
Intergovernmental Grants	-	12,151
Contributions - Fixed Assets	20,000	-
Other Income	<u>10,746</u>	<u>2,584</u>
Total Revenues	\$ 86,917	\$ 64,657
Expenditures		
Public Safety:		
Pension Fee	\$ 1,171	\$ 923
Insurance	4,333	1,128
Uniforms & Gear	1,291	4,215
Operating Expense	1,952	7,740
Professional Fees	4,229	786
Repairs and Maintenance	9,339	1,586
Telephone & Utilities	3,039	2,781
Rent	700	2,598
Vehicle Expense	8,149	7,340
Volunteers	4,821	-
Capital Outlay	31,808	8,572
Debt Service	<u>24,741</u>	<u>15,617</u>
Total Expenditures	\$ 95,573	\$ 53,286
Excess (Deficiency) of Revenues over Expenditures	\$ (8,656)	\$ 11,371
Other Financing Sources (Uses):		
Loan Proceeds	<u>\$ 11,808</u>	<u>\$ 9,694</u>
Total Other Financing Sources (Uses):	\$ 11,808	\$ 9,694
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 3,152	\$ 21,065
Fund Balance - Beginning of the Year	<u>\$ 39,997</u>	<u>\$ 18,932</u>
Fund Balance - End of the Year	<u><u>\$ 43,149</u></u>	<u><u>\$ 39,997</u></u>

The accompanying notes are an integral part of this statement.

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2002

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Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2002

**1. Summary Of Significant Accounting Policies**

The Livingston Parish Fire Protection District No. 7 “the District” is a body corporate created by the Livingston Parish Council (formerly Livingston Parish Police Jury), as provided by Louisiana Revised Statutes. The Fire District is governed by a board of five commissioners who are now appointed by the Livingston Parish Council.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB), is the standard-setting body for governmental accounting and financial reporting. On June 30, 2001, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

**A. Financial Reporting Entity**

This report includes all funds and account groups which are controlled by or dependent on the Fire District’s Board of Commissioners. Control by or dependence on the board was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

In conformance with Governmental Accounting Standards Board, Statement 14, the Fire District is a component unit of the Livingston Parish Council, the governing body of the parish. The accompanying financial statements present information only on the funds and account groups maintained by the Fire District and do not present information on the Council and the general government services provided by that governmental unit.

**B. Fund Accounting**

The accounts of the Fire District are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities



Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

are controlled. The various funds of the Fire District are grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

General Fund – The General Fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund.

In addition to the one generic fund type, the District maintains two account groups. The two account groups are not “funds”. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

General Fixed Assets Account Group – The fixed assets used in the governmental fund type operations of the Fire District are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group – Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental fund type operations.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenues when levied even though a portion of the taxes may be collected in subsequent years. User fees are also recorded as revenues in the year billed even though a portion of the fees may be collected in subsequent years.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

D. Budgetary Practices

The District failed to adopt a budget for the year 2002 as required by LSA-RS 39:1301-15.

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the District may deposit funds in demand deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the Parish Council are not recorded within the general fixed assets group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, or estimated cost if historical cost is not available.

G. Accumulated Compensated Absences

The District has no policy recording employees' vacation pay and employees' sick pay benefits as the District has no full-time employees. As a result, the District has no accumulated compensated absences requiring recognition in accordance with GASB Statement 16.

H. Total Columns on Combined Statements

Total Columns on the Combined Statements is captioned (Memorandum Only) to indicate that it is presented only to facilitate financial analysis. Data in the columns does not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United State of America. Neither is such data comparable to a consolidation.

I. Accounting Development – GASB Statement No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basis Financial Statements – and Management's Discussion*

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

*and Analysis – for State and Local Governments.* Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
  - A management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
  - Financial statements will be prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.).
  - A change in the fund financial statements to focus on major funds

The general provisions of GASB Statement No. 34 must be implemented by the District no later than the fiscal year ending December 31, 2004.

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

**2. Levied Taxes**

On April 3, 1993, a special election was held whereby the voters of Fire Protection District No. 7 of Livingston Parish approved the annual levy of a 10 year 10 mill ad valorem tax assessed on all property subject to taxation within the District for the purpose of "maintaining, operating and developing the District's fire protection facilities and for purchasing fire trucks and other fire fighting equipment." The tax begins with the year 1993 and ends with the year 2002.

Property taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

The Fire District's taxes are collected by the Livingston Parish Tax Collector and are remitted to the Fire District monthly. The Fire District pays the Assessor's Office a fee for this service.

For the year 2002, taxes of 12.07 mills were levied on property with assessed valuations totaling \$2,337,860.

Total taxes assessed and taxes receivable at December 31, 2002, are as follows:

General Fund	General Operations 12.07 Mills
2002 Property Tax Assessed	\$ 28,218
Less: Amounts Deemed Uncollectible	<u>(2,822)</u>
Net 2002 Property Taxes Deemed Uncollectible	25,396
<u>Less: Amounts Collected Prior to December 31, 2002</u>	<u>(3,527)</u>
Taxes Receivable - Current Year	21,869
Prior Year Tax Receivable at December 31, 2001	22,865
Less Prior Year Tax Collected in 2002	<u>(18,776)</u>
Taxes Receivable - Prior Year	<u>4,089</u>
Total Property Taxes Receivable at December 31, 2002	<u>\$ 25,958</u>

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

**3. Cash and Cash Equivalents**

At December 31, 2002, the Fire District had cash and cash equivalents (book balances) totaling \$8,903, as follows:

Interest Bearing Demand Deposits	\$ <u>8,580</u>
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The bank deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties. At December 31, 2002, the Fire District had \$67,447 in bank deposits (collected bank balances).

These deposits are secured from risk as follows:

Bank Balances	\$ <u>8,580</u>
Federal Deposit Insurance	\$ 8,580
Uncollateralized (category 3): Pledged Securities	<u>-</u>
Total	\$ <u>8,580</u>

**4. Receivables**

The following is a summary of receivables at December 31, 2002:

<u>Class of Receivable</u>	<u>General Fund</u>
Ad Valorem Taxes	\$ 25,958
State Revenue Sharing	1,398
User Fees	<u>14,202</u>
	\$ <u>41,558</u>

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

**5. Changes In General Fixed Assets -**

A summary of changes in general fixed assets is as follows:

	*Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Land and Buildings	\$ 95,872	\$ -	\$ -	\$ 95,872
Equipment	51,700	20,000	-	71,700
Furniture and Fixtures	10,000	-	-	10,000
Equipment Under Capital Lease	115,000	11,808	-	126,808
Total	<u>\$ 272,572</u>	<u>\$ 31,808</u>	<u>\$ -</u>	<u>\$ 304,380</u>

\*Beginning balances were estimated at fair value at December 31, 2001, by the management of the District. Sufficient evidential records were unavailable at December 31, 2002, to determine actual ownership of the assets and/or actual historical costs.

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

**6. Fire Protection Services Fees**

On July 17, 1999, a special election was held within District No. 7. The voters of District No. 7 of Livingston Parish approved the authorization to collect an amount not to exceed \$32.00 per annum for each residential or commercial structure for a term not to exceed ten years commencing January 1, 2000.

Total Fire Protection Service Fees estimated to collect for the year 2002 is as follows:

Total Number of Residential and Commercial Structures within the District Billed by Assessor	682 <u>X\$32.00</u>
Total Gross 2002 Service Fees to Collect	\$ 21,824
Less: Estimated 10% Uncollectible	<u>(2,183)</u>
Total Net 2002 Service Fees to Collect	19,641
Service Fees Collected in 2002	<u>(5,440)</u>
Net Service Fees - Current Year	14,201
Prior Year Service Fees Receivable at December 31, 2001	12,426
Less Prior Service Fees Collected in 2002	<u>(13,718)</u>
Excess Prior Year Service Fees Collected in 2002	<u>1,292</u>
Total Net Service Fees Revenue in 2002	<u><u>\$ 20,933</u></u>

**7. Pension Plan**

The Fire District has no pension plan.

**8. Other Postemployment Benefits**

The Fire District has no other post employment benefits.

Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

**9. Compensation Paid Board Members**

Louisiana Revised Statute 40:1498 provides that each member of the Fire District may receive compensation in the amount of thirty dollars per meeting, not to exceed two meetings in any one calendar month. At the present time, the Fire District does not pay compensation to board members. A schedule of board member compensation for the year ended December 31, 2002 is as follows:

Charles McCon, Chairman of the Board	\$ -
25365 Satsuma Rd.	
Livingston, LA 70754	
(225)698-6585	
Expiration Date 1/1/03	

Robert Mack Robertson, Jr., Treasurer	\$ -
20864 Adam Averett Rd.	
Livingston, LA 70754	
(225)698-6169	
Expiration Date 1/1/03	



Fire Protection District No. 7 of Livingston Parish  
Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

**10. Changes in Long-Term Debt**

The Fire Protection District No. 7 of Livingston Parish, Livingston, Louisiana records items under capital leases as an asset and obligation in the accompanying financial statements.

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2002:

	Obligations Under <u>Capital Lease</u>	<u>Total</u>
Principal Balance at January 1, 2002	\$ 110,118	\$ 110,118
Increase in Debt	11,808	11,808
Principal Paid	<u>(20,199)</u>	<u>(20,199)</u>
Principal Balance at December 31, 2002	<u>\$ 101,727</u>	<u>\$ 101,727</u>

**11. Obligations Under Capital Leases -**

Leases are accounted for in accordance with Section L20 of the GASB Codification and NCGA Statement No. 5 which require governments to use the criteria contained in FASB Statement No. 13, *Accounting for Leases*, and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, to classify leases as capital or operating leases. The GASB Codification and NCGA Statement No. 5 also require governmental fund assets under capital leases to be recorded in the General Fixed Assets Account Group and the lease obligation to be recorded in the General Long-Term Debt Account Group.

The District entered into a renegotiated lease agreement dated November 26, 2001, to acquire or obtain the use of fire fighting equipment and two used fire trucks. The lease term is for eight years. The interest rate used in calculating the present value is 5.75%. The lease payments are to remain the same throughout the term of the lease (\$16,183.55). The lease agreement contains a fiscal funding clause which provides for the cancellation in the event the District does not appropriate funds in subsequent years for the lease payments.

The District entered into a lease agreement dated February 5, 2002 to acquire or obtain the use of a 1992 Ford Econoline Ambulance. The lease term is for five years. The interest rate used in calculating the present value is 17.024%. The lease agreement contains a fiscal funding clause

Fire Protection District No. 7 of Livingston Parish  
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Notes to the Financial Statements (Continued)

For the Year Ended December 31, 2002

which provided for the cancellation in the event the District does not appropriate funds in subsequent years for the lease payments.

The following is a schedule by years of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2002:

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Lease Dated November 26, 2001:			
2003	\$ 10,942	\$ 5,241	\$ 16,183
2004	11,572	4,612	16,184
2005	12,237	3,947	16,184
2006	12,940	3,243	16,183
2007	13,685	2,499	16,184
2008	14,471	1,712	16,183
2009	<u>15,304</u>	<u>880</u>	<u>16,184</u>
Total for Lease Dated November 26, 2001	91,151	22,134	113,285
Lease Dated February 5, 2002			
2003	\$ 2,019	\$ 1,787	\$ 3,806
2004	2,226	1,287	3,513
2005	2,636	877	3,513
2006	3,121	392	3,513
2007	<u>573</u>	<u>12</u>	<u>585</u>
Total for Lease Dated February 5, 2002	<u>10,575</u>	<u>4,355</u>	<u>14,930</u>
Total for Capital Leases	<u>\$ 101,726</u>	<u>\$ 26,489</u>	<u>\$ 128,215</u>

The District has no operating leases at December 31, 2002.